THE REIGN OF THE ROTHSCHILDS

THE PERSONALITIES AND THE METHODS OF THE RICHEST FAMILY IN THE WORLD

BY ISAAC F. MARCOSSON

ONE day in September, nearly a hundred years ago, an old Jew lay dying in a gabled house that bore the device of a red shield in the ghetto of Frankfort-on-the-Main. Grouped around his bed were five stalwart sons. In a firm voice this father in Israel admonished his children to be loyal to the faith of Moses; to remain united to the end; to intermarry, and to obey their mother in all things.

"Observe these rules," he declared, "and you will be rich among the richest, and the world will belong to you."

Such was the earthly valedictory of Mayer Amschel Rothschild.

As everybody well knows, that death-bed prophecy came true long ago. The world's only billionaire dynasty is evidence of its wisdom and foresight. Premiers, cabinets, whole royal successions have risen, had their brief imperial day, and tottered to their fall; kingdoms of trade have developed and declined; but the reign of the Rothschilds has continued. Their scepter has been gold; their royal decree, the bank-note. They have reared an unshakable empire of credit, and

WADDESDON MANOR, NEAR AYLESBURY, FORMERLY THE HOME OF THE LATE BARON FERDINAND ROTHSCHILD, AND NOW OWNED BY HIS SISTER, MISS ALICE ROTHSCHILD

their capital has been wherever the family flag has flown.

To-day in the cobble-paved recess of New Court, in London, where St. Swithin's Lane winds from Cornhill to Cannon Street, and where the din of the rushing city does not even penetrate, a new ruler sits in the house of his fathers, the throne-room of the money dynasty. After the death of Baron Alphonse Rothschild in Paris, in 1905, the titular head of the family was Baron Albert Rothschild, of the Vienna branch. With his passing, last February, the headship fell to Lord Rothschild, of the English house.

In Europe, the name of the Rothschilds is a traditional symbol of vast wealth and royal favor, and people have almost ceased to marvel at it. In the United States, however, it is only projected into the news when some leading member of the family dies, or when some new honor or distinction falls to a Rothschild. Because he lives in an age when the magic of new millions is constantly dangled before his eyes, and when so-called "financial kings" arise with every great mining strike or market coup, the average American is apt to conclude that the Rothschilds are back numbers in the big money game, and that new masters of capital have risen to take their place. This impression is heightened by the fact that their American interests, never of the first magnitude, have dwindled.

The truth of the matter is that while their activities are less dazzling and spectacular than in the older day, when they played with the destinies of monarchies and kept princes waiting in their outer rooms, the Rothschilds are richer and more widely powerful than ever before, and their wealth is more securely employed.

NATHAN MAYER ROTHSCHILD, FOUNDER OF THE LONDON BRANCH OF THE FAMILY

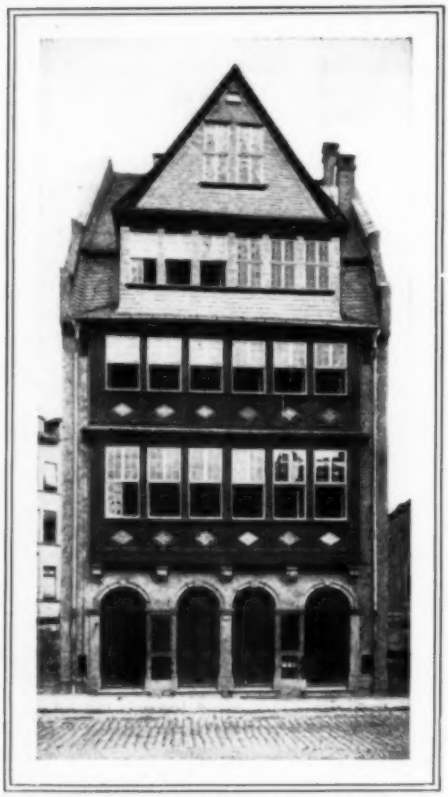
Drawn by M. Stein from an old print

Although no man can state the amount of the combined fortunes of the Rothschilds, it is estimated that they are at least two billions of dollars. This is four times the probable wealth of the Rockefeller clan, and more than six times greater than the united Astor possessions, which form our largest hereditary fortune. Yet the founder of the Astor estate was a rich man before the first Rothschild was permitted to do business. At four per cent, the yearly income from the present Rothschild fortune would be eighty million dollars, or more than the whole capital amassed by the original Vanderbilt.

None of the other great financial families of Europe approaches the Rothschilds in prestige or possession. The Hirsch hierarchy is rated as controlling little more than half a billion dollars; the South African capitalists — the Beits, the Barnatos, the Wertheimers, and the Friedlanders — can scarcely muster a billion. The great German house of Bleichröder, founded by that militant soldier of capital on whose breast the old Kaiser Wilhelm pinned the Iron Cross for his aid to Bismarck in completing the downfall of France, is but a principality alongside the Rothschild empire.

So, too, with the Sassoons, called the Rothschilds of the East, who are the oriental caliphs of cash and credit; the Pereires, long the rivals of the French Rothschilds; the Sterns and Goldsmids, financiers of unhappy Portugal; the Comondos, bankers of the Ottoman empire; the Montefiores, who rule the Australian money temples; and the Rallis, lords of the Levant. The Rothschilds out-money them all.

There are many errors in the general American conception of who and what the Rothschilds are. Save that which concerns



THE OLD ROTHSCHILD HOUSE IN THE JUDENGASSE, FRANKFORT-ON-THE-MAIN

their supposed decline in power, none is more wide-spread, perhaps, than the belief that they are bankers pure and simple, whose specialty in the past has been the saving of royal financial lives. While their greatest eminence has come from their services to distressed nations, they have always been, and are to-day, merchants on a vast scale.

In a larger sense, banking is merely another form of merchandising. The banker handles cash and credit just as the wholesaler distributes woolens and shoes. The great bulk of business between the Rothschilds and the United States was entirely mercantile. Up to a few years ago, they were large importers of our cotton and tobacco. In exchange, they exported rubber and lead to us.

At the present time, besides great holdings of stocks and bonds, the family and its connections own cotton-factories in Lancashire; cutlery-works at Sheffield; plantations in Jamaica; rubber-fields in Brazil; looms in Persia and India; lead-mines in Spain; vast timber tracts in Siberia; mills on the Meuse; warehouses in many European cities; gold-mines in Africa; whole towns in Australia; and real estate in a dozen world centers, including New York. In short, no frost can nip, no hot wind wither, no devastating storm arouse the waves, without endangering a Rothschild property somewhere. Theirs is a world-wide commercial contact.

The question naturally arises, what manner of men are these who, after a century of successful conflict with every new condition that the greatest epoch of human progress has brought forth, can still ride the high tide of masterful financial autocracy? What is the secret that has lurked behind their marvelous manipulation of that worldly thing on which all men, regardless of caste or creed, set their hearts?

Analyze the Rothschild genius and the Rothschild record in the light of present-day financial conditions, and you discover some interesting things.

First of all, this is one of the few great moneyed oligarchies, founded on daring speculative ventures, that have endured and become sound, conservative, constructive institutions.

In the second place, its vast wealth has not grown, like that of the Astors, through unearned increment—increase in value due to the enhancement of adjacent property or kindred possession. It has been built by active work under the guidance of a clear, far-sighted vision, ranging from a capitalization of Napoleon's defeat at Waterloo to the building of the first great subway under the streets of New York.

More significant and impressive, perhaps, than all this is the rebuke that the Rothschilds have administered to the traditional belief concerning the swift decline of rich families—a belief that has found picturesque expression in the phrase "it takes three generations to go from shirt-sleeves to shirt-sleeves." While the financial genius of the Goulds, the Astors, and the Vanderbilts has lessened as it passed from father to son, the old mastery of the Rothschilds has persevered even unto the fifth generation.

Again, the Rothschilds have violated all laws by marrying their near kindred. Until the last generation, the injunction of the wise old founder of the line was scrupulously obeyed. When there were no Roth-

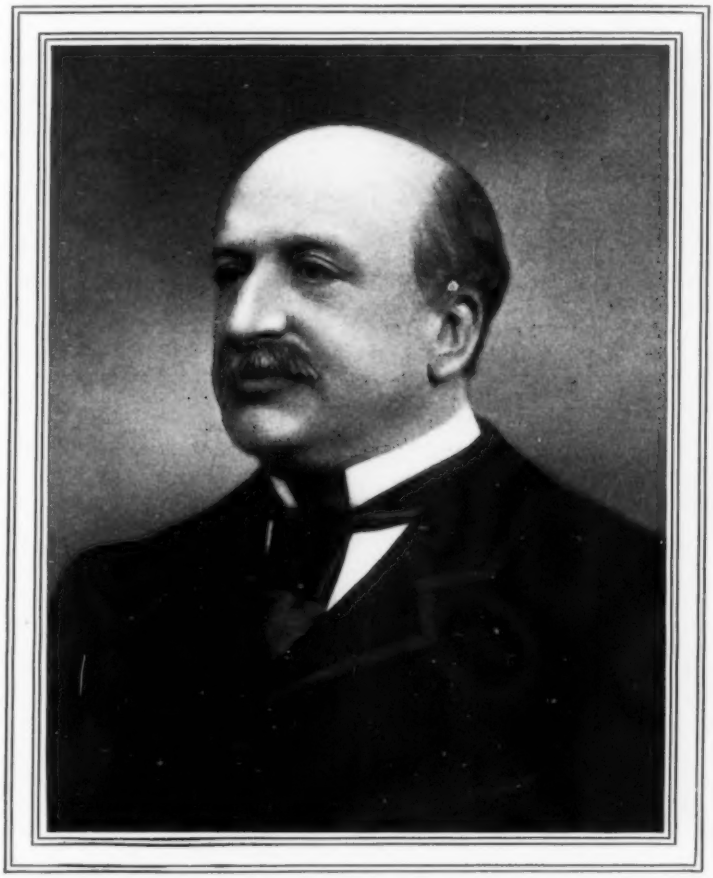
schild daughters for the men to marry, they remained single. Baron James, for years head of the French house, married his niece; Baron Lionel, of England, wedded his first cousin; his daughter Evalina became the wife of Alphonse, who succeeded Baron James; and so on.

When the women left the family, they almost invariably chose husbands who brought either further financial prestige, as shown by the alliance between a daughter of Baron Gustave with Sir Edward Sassoon, or great social and political influence, as by the marriage of Hannah Rothschild to Lord Rosebery.

Despite all this intermarrying of close blood kin, the family fire has blazed forth with no sign of dying. In no other family, the world over, has such a remarkable spectacle been presented.

THE GREATEST GENIUS OF THE LINE

In order to make some adequate measure of the Rothschilds of to-day—for they are the ones that interest us most—it will be necessary to cover briefly the historic approach to the present rulers. In an explanation of some of the principal personalities in their long and glittering gallery of fame, you will find some revelations of the real sources of the family power.



LIONEL ROTHSCHILD, SECOND HEAD OF THE ENGLISH HOUSE, AND FATHER OF THE PRESENT LORD ROTHSCHILD

Because he believed that a "house divided" must fall, the original Rothschild took no chance of any disruption of the fold. As Charlemagne distributed the kingdoms that he had conquered among his sons, and

as Napoleon parceled out states to his brothers and his marshals, so did this wise old Hebrew bestow the capitals of Europe among his own. To Anselm went the Frankfort branch, the first seat of the Rothschild empire; to James was assigned the task of establishing the French wing at Paris; to Solomon was given the Viennese house; to Carl fell the post at Naples; and to Nathan Mayer the English establishment.

Most picturesque of all the Rothschilds, and the greatest financial genius of the line, was Nathan Mayer. The general reader knows him best as the hero of the oft-repeated Waterloo story—how he watched the fateful battle, and, when he was sure that the Allies had won, raced back to England ahead of Wellington's couriers, and cleared a million pounds sterling on his exclusive information. But he did much more than this, for he was always the daring, resourceful, brilliant, and successful speculator. He set up the establishment in St. Swithin's Lane, which is to-day the center of all the Rothschild activity.

When you come to study Nathan Mayer's strategy, you find that financial history, like other history, simply repeats itself. His greatest achievements were based on early and exclusive news. To obtain this, he established a service of couriers and pigeons. In our own day, when ten minutes' leeway is as great an advantage as a whole day was in Nathan Mayer's time, men like E. H. Harriman have done the same thing with the telegraph as their instrument.

Nathan Mayer was primarily a merchant, and his method of doing business was typical of the Rothschild point of view. He went to England originally because the Frankfort firm dealt heavily in English cotton goods, and the Lancashire mill-owners were arrogant and unreasonable. When he got to Manchester he found that there were three stages of profit in the business—the raw material, the spinning, and the weaving.

"Why get one profit when you can get all three?" he said.

So he bought the raw material, had it spun and dyed, and supervised the manufacture, with the result that he trebled his investment.

Another of his methods which has been worked overtime in our own speculative day was to have one set of agents buying and another set selling the same stock at the same time, each group being ignorant of the identity and the purpose of the other. This has always been a favorite manipulative process with James R. Keene and many other big operators of Wall Street.

Through all his tempestuous life, Nathan Mayer rigidly observed two maxims. One was to drive an offhand bargain and stick to it; the other was to have nothing to do with unsuccessful and unfortunate people. He had a curious superstition that bad luck was contagious.

This portly old Jew, with his marked accent, his slovenly appearance, and his uncouth manners, lived like a prince and entertained royalty. There is no caste in money-bags.

In his later years, he was in fear of assassination. Two fierce-looking foreigners came to see him one day. They seemed embarrassed on their entrance, and one of them felt nervously in his pocket. Fearing some injury, the banker hurled a ledger at him and yelled lustily for help. It developed that the men were German bankers with strong letters of introduction, and that they had felt nervous in the presence of the great speculator.

When Nathan Mayer died, in 1836, his fortune was estimated at eighteen million pounds sterling. For those days it was a princely sum and the wonder of all Europe. Much of it was in state securities, especially British funds.

Contemporary with Nathan was his brother James, in Paris, another daring speculator, who also had some of the Harriman qualities. He was called the railway king of France, and it was he who directed much of the commercial and industrial expansion of the family.

THE FIRST LINK WITH AMERICA

Baron James was responsible for the annexation of the United States to the Rothschild empire. Curiously enough, the French branch was the pioneer in trade with us, and did the largest American business. The way in which it developed was interesting.

One day, when the nineteenth century was not very old, a lad born in the Rhenish Palatinate, August Belmont by name, went to work as messenger in the Frankfort house of the Rothschilds. He was keen and apt, and soon won the confidence of Anselm, who was in charge. Before he was twenty-one he had been sent to the Naples branch, where he became secretary to a member of the firm.

Meanwhile Baron James, in Paris, had begun an extensive tobacco business with

the United States. The trade in cotton also grew. Millions of dollars in commercial paper had to be handled and discounted, and some one was needed to represent the great Jewish firm in the new country across the sea. Young Belmont could speak English; he was alert and well trained in the Rothschild method; and the choice for envoy to America fell on him.

He reached New York in 1837, and set up an office there, thus laying the foundation for a whole new financial line. In 1853 Mr. Belmont was designated as United States minister to The Hague. On his return, late in the fifties, the house of August Belmont & Co. developed. With its rise Mr. Belmont ceased to be merely an agent for the Rothschilds, but continued as their American correspondent and general representative — a relation which the firm still maintains.

LORD ROTHSCHILD, THE PRESENT HEAD OF THE ROTHSCHILD FAMILY AND OF THE LONDON FIRM OF N. M. ROTHSCHILD & SONS

From a photograph by Elliott & Fry, London

During the sixties, seventies, and eighties Rothschild business with the United States flourished. Those were the days when the Rothschild fleets rode the seas, and the pennant of the house flew in many ports.

The family became exporters and importers on an enormous scale. They represented the French tobacco monopoly, and they spent millions on American crops. In all these transactions they acted as merchants and middlemen.

But a very significant condition developed which checked the American end of the Rothschild trade. Summed up, it was simply this—the middleman was eliminated, and the consumer bought direct from the producer. The French cigarette-maker, for example, sent his agent to the Virginia or Kentucky tobacco-grower and purchased the crop, and there was no need of a Rothschild to act as banker. Drafts were attached to the bill of lading, and it was a direct and rapid process.

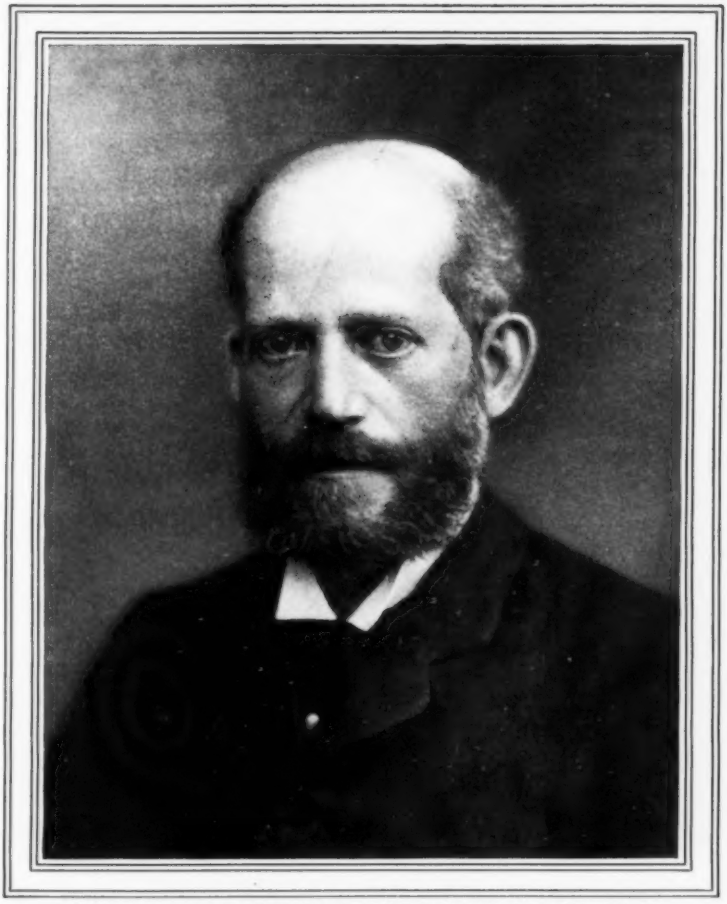
It is interesting to note that this same condition has arisen generally, and the old-time middleman, once the bulwark of so large a part of trade, has almost vanished from the business map. Everywhere the manufacturer is dealing directly with the producer of his raw material and the consumer of his finished product.

This change did not affect the Rothschild fortunes or prestige, however. With all their wealth and influence it was very easy to turn to other channels. They became producers, and, backed by their immense banking power, were soon factors in the gold, rubber, and metal output.

But from that time dated a decline of interest in the United States. To-day the bulk of their holdings in this country is in gilt-edge securities. It is said that they own more than one hundred million dollars' worth of the stocks and bonds of various American enterprises, principally railroads. In the old days, when the Belmonts dominated the Louisville and Nashville, they had a large line of the road's stock, and probably they still have most of it. They do not figure in our speculative markets. Their last big venture was when they aided in the financing of the New York Subway, a project put through by the house of Belmont.

GUNNERSBURY PARK, NEAR LONDON, THE RESIDENCE OF LEOPOLD ROTHSCHILD, BROTHER OF LORD ROTHSCHILD

From a photograph by King, London



BARON FERDINAND ROTHSCHILD, A MEMBER OF THE AUSTRIAN BRANCH OF THE FAMILY, WHO MARRIED A SISTER OF LORD ROTHSCHILD AND SETTLED IN ENGLAND

They are also said to own some large tracts of real estate in the United States, principally in or near New York. For example, they own a great part of the community known as Edgemere on Long Island. With this property, as with practically all the other American realty owned by the family, there is no evidence of record to show their proprietorship.

THE REIGN OF BARON LIONEL

With the death of Nathan Mayer, the house of Rothschild, and particularly the English branch, underwent a change in its character and temperament, and more especially in its attitude toward life. The old laborious money-grubbing gave way to a larger financial view; the original aloofness was succeeded by an entry into public affairs. A new, broad, and yet conservative policy became the order of things.

Baron Lionel marks this transitional period. He was only twenty-eight when his slovenly father, hero of the Waterloo episode, dropped all earthly cares; but so careful was the family training, and so thorough its discipline, that he was able to step immediately into the conduct of affairs. This suggests one way in which the Rothschilds have preserved their power.

From the days of Mayer Amschel down to the present time, every Rothschild in the business has had to work his way. Most of them drudged in their youth; sat at high desks, learned the intricate details of banking, and especially of foreign exchange, one

THE SO-CALLED BASKET GARDEN AT GUNNERSBURY PARK, THE RESIDENCE WHICH LEOPOLD ROTHSCHILD INHERITED FROM HIS FATHER, LIONEL, SON OF NATHAN MAYER

From a photograph by King, London

of the most important interests of the international banker. Nathan Mayer kept Lionel at his elbow for years; acquainted him with all important transactions of the house, and discussed big undertakings with him. There was not a day's break in the movement of the Rothschild machinery when death gripped the aged engineer.

Baron Lionel did much to spread the glory of the house. He arranged eighteen great foreign loans, aggregating more than two hundred millions of pounds. He helped, among other things, to fund the debt of the United States after the Civil War. One of his conspicuous acts was to advance four million pounds sterling to the British government to purchase the Khedive Ismail's Suez Canal shares in 1875. At the conclusion of the Franco-Prussian War he headed the syndicate of bankers who agreed to maintain the integrity of foreign exchange, and thus facilitated the payment of France's huge indemnity.

Greater, perhaps, than all this was the service that Baron Lionel rendered to his co-religionists. He was always a Hebrew of the Hebrews, glorying in the ancient splendor of his race, proud of his own lineage. At that time the Jew labored under many civil and social disadvantages in England. He was forbidden to hold office, and was officially regarded as a member of an outcast people. Subsequently the bar against holding municipal office was removed; but there remained an insurmountable barrier to an orthodox Jew's entering Parliament, because the prescribed oath contained the words "on the true faith of a Christian."

It remained for Baron Lionel to blaze the way. In 1847 he was elected a member of Parliament from the City of London; and when he came to take the oath he asked to be sworn on the Old Testament. This was, of course, refused, and he was compelled to retire. He was thrice reelected, and each time the same *impasse* resulted.

In the discussions waged in his behalf Mr. Gladstone had eloquent part, and among his supporters was a young man named Benjamin Disraeli, himself a Jew of the Portu-

guese line, whom the world was later to admire as the Earl of Beaconsfield. Finally, in 1858, after ten years of struggle, the oath was amended, and Baron Lionel took his seat. He served until 1874.

Baron Lionel had the usual Rothschild humor. Like many other rich men, he was constantly pestered by parents seeking advice or positions for their sons. Once, when he was dining at a friend's house, he happened to sit next to a lady who had an only son, and who was extremely solicitous about the boy's future. She determined to seize her opportunity to get advice from the great financier, and asked:

"What do you think is the best business for my son to take up?"

The baron was averse to giving advice, and parried for a while. The lady persisted, and finally the great banker said:

"Well, madam, in my opinion, selling matches is a very good business if there is enough of it!"

It was in Baron Lionel's generation that the Rothschilds projected themselves into exclusive British society. The baron himself, on account of the rheumatic gout which assailed him fiercely in his later years, was not a society man, but he had a splendid home at Gunnersbury Park, just outside London, where he found relaxation in his pictures and his flowers. His two brothers, Sir Anthony and Baron Mayer, did the social honors for the family. With them came

ALFRED CHARLES ROTHSCHILD, BROTHER OF LORD ROTHSCHILD AND OF LEOPOLD ROTHSCHILD

From a photograph by Downey, London

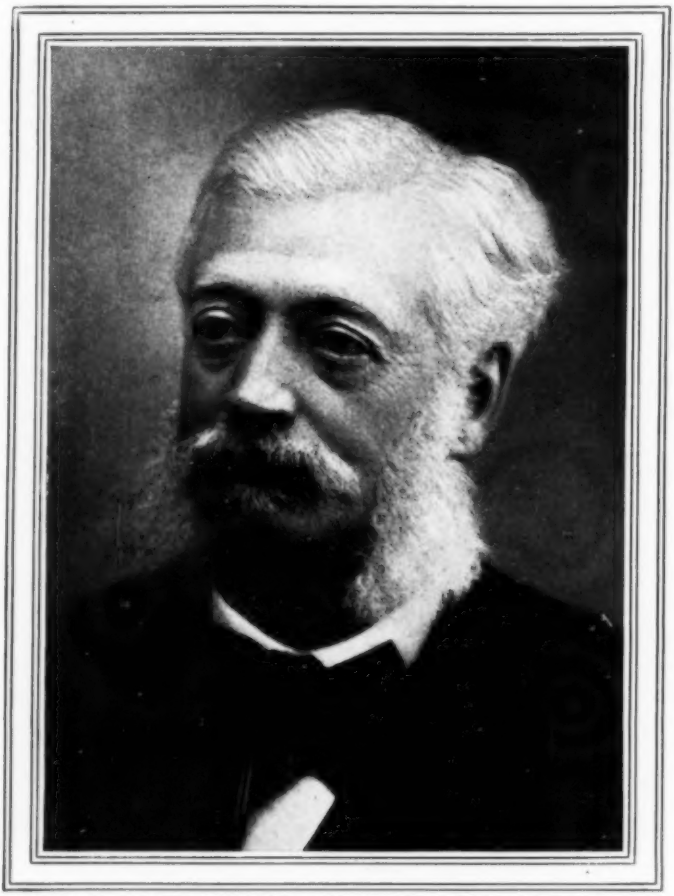
the first real defection from the path of business, for their interests were purely artistic. They were content to leave the conduct of the English house to Lionel.

Both Sir Anthony and Baron Mayer were great lovers and breeders of fine horses, and under their patronage the Rothschild colors first figured on the race-track. In the same year Baron Mayer won the Derby, the Oaks, and the St. Leger, a record seldom attained since that day.

Baron Lionel survived both of his pleasure-loving brothers, for he did not pass away until 1879. Upon his death the chieftainship of the house fell to his son Nathaniel, who in 1876 had inherited the baronetcy of his uncle, Sir Anthony, and who in 1885 was raised to the British peerage. The title of baron which had previously belonged to the male members of the family was of Austrian creation.

But while Baron Lionel was beating in vain at the doors of Parliament; while the invincible James was rearing his railway empire in France; while Anselm in Frankfort, Carl in Naples, and Solomon in Vienna were making the old red shield blaze with wealth and kingly decorations, an institution which might well be called financial democracy was raising its portentous head. It had peculiar meaning for the Rothschilds, for it gave their hitherto unquestioned authority its only real rebuke.

Clearly to understand it you must bear in



BARON ALPHONSE DE ROTHSCHILD, HEAD OF THE FRENCH HOUSE FOR MANY YEARS BEFORE HIS DEATH IN 1905

From a photograph by Daireaux, Paris

mind the fact that the Rothschilds thrived originally through their aid to needy states. It is difficult, perhaps, for the average democratic mind to understand that a king, or a kingdom, may be impecunious. Royalty, to the popular notion, spells riches. But such is not always the case. The kingly purse has a lining, and extravagance often exposes it. Like the late Russell Sage, the Rothschilds have always had vast sums of ready money on hand. Need knows no caste. Therefore, the regal borrowers came, and with them their ministers and chancellors.

The low state of national credit in Europe at the beginning of the nineteenth century hastened their coming, and made the lender's vocation a lucrative one. France had vast projects afoot, military and civil, and the other governments continually needed money to maintain themselves against the aggressive genius of Napoleon.

It was France, curiously enough, that overthrew the old system. After the revolution of 1848, the victorious republicans were confronted with the task of binding up the nation's financial wounds. The conventional thing would have been to call in the Rothschilds, the Pereires, or some other private bankers, and to arrange a loan, which would involve a rich commission for the lenders and high interest for the country. But the government had an inspiration. It said:

"Let us appeal directly to the people of France for this money."

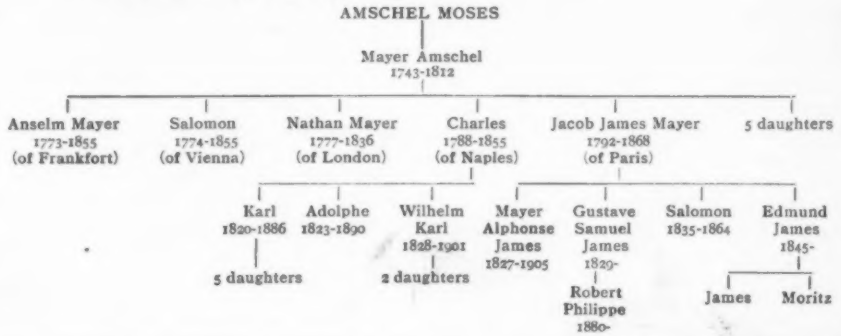
The response was quick and ample, for the citizens placed their savings at the disposal of the national treasury. This not only put the new government on a safe money basis, but it established a patriotic precedent, which has helped to make France the richest of all the European countries. Once more the middleman was wiped out.

The result of that first genuine popular loan was that when the next emergency arrived the performance was repeated with even greater success. The loan was subscribed ten times over. The vast profits and commissions that formerly went to the private bankers were eliminated. The Rothschilds had to turn to other sources of gain, and this is one reason why they went into trade so elaborately. Their transactions with the United States in cotton and tobacco were started in the fifties. Then, too, began their chains of warehouses and their fleets of ships.

Of course, I do not mean that the Rothschilds suffered hardship by the new development, for they continued to have close and profitable relations with governments, and to be the bankers of kings, but it was on a different basis and with a smaller return.

Behind the popular borrowing by the French government, which began late in the forties, is a lesson of tremendous value. It established a close relation between the government and the people, and it afforded the average citizen an opportunity for the safe employment of his money. The nation that has a host of small investors, holding its evidences of debt, is almost immune against panic and revolt. You have only to point to the France of to-day to see the wisdom and the prudence of this system. If the Federal government's debt were distributed in small pieces among the people of the United

GENEALOGY OF THE ROTHSCHILDS
SHOWING FRENCH BRANCH



States, we should have less political and social unrest and a more broadly based prosperity.

THE REIGN OF BARON ALPHONSE

If in France there developed the first and only check to the Rothschild power, so also there arose in the same land a new and virile master of the house.

Ten years before Baron Lionel got final release from his gout and his responsibilities, Baron Alphonse had taken his place as lord of the French branch. His life extended so well into our own time—he did not die until 1905 — that it is well worth briefly considering, for it was full of event and of interest.

Alphonse played a large part in the affairs of Europe, and during his régime the French house was the capital of the Rothschild domain. He had a mind that resembled Nathan Mayer's, for his judgment was swift and unerring. He was one of the few members of the family to be a target for assassins. Once he narrowly escaped a terrible death. An infernal machine was sent him in a letter. His secretary opened it, and it exploded, terribly maiming him. Yet the old baron was more fearless than his English uncle, for he often walked abroad alone.

Once Heinrich Heine came to see him, and found him very moody. He inquired if he was ill.

"No, I am not ill," replied Rothschild. "I am crazy—that is all."

"I will never believe that you are crazy," answered the poet, "until I see you throwing your money out of the window!"

"Ah!" said the banker, showing a threatening letter which had just been put into his hands, "I am crazy because I do *not* throw my money out of the window!"

Like many rich men, Baron Alphonse was very superstitious. He lived in dread of the number thirteen. When he married he chose a residence in the Rue St. George which bore the fateful figure; but he refused to enter the house until it had been renumbered. Ever afterward he declined to open any communication addressed to the old number.

He had fine tastes, and his collection of art objects, especially pictures and statuary, was a notable one. His country seat, the Château de Ferrières, is a show place of France. It once provided the setting of a mighty historic drama, for it was the German headquarters during the siege of Paris. There could have been no greater tribute to the power of the Rothschilds than the fact that both contending armies respected it as if it were neutral ground. Not a brick of the château was injured; not even a deer in its parks was touched by marauding troops.

Here came the unhappy Jules Favre to plead before the Iron Chancellor; here he shed his vain tears over the humiliation and despoilment of France. The terms of the enormous indemnity that the conquerors exacted were practically framed in the Rothschild home.

This indemnity, by the way, gave Baron Alphonse one of his greatest opportunities. The payment of France's colossal bill, five thousand millions of francs, as part of the German spoils of war, was entrusted to him. The operation called every resource of the family into service. The baron and his clerks worked for months, night and day, on the project, but it was discharged with brilliant ability.

The baron had a marvelous nose for credit. During his lifetime all national loans were submitted to him. To his office in the Rue Laffitte, off the Boulevard des Italiens, came the Russians, hat in hand, and, although the oppressors of the Rothschilds' race, they were glad indeed to borrow its money. It is in Russia alone that the family enjoys no nobiliary distinction.

When Baron Alphonse was gathered to his fathers, the Rothschild capital changed to Vienna, where Baron Albert, the grandson of Salomon, was king. His reign, however, was brief, and his last years were clouded by a tragedy.

Of his five sons, Oskar was the youngest and the favorite. Not long ago, accompanied by a companion, the boy went on a tour of the United States. He traveled incognito. While in Chicago he fell in love with a beautiful girl of German birth. They became engaged, and young Rothschild returned home.

Meanwhile—so the story goes—an enemy of the girl sent to the old Baron Albert a picture which showed her in short skirts, a costume which she had worn in a private theatrical performance. When the boy reached Vienna his father was in a rage. Oskar had some conventional portraits of his *fiancée*, but he was suddenly confronted by the one that the baron had received. He declared that the abbreviated costume was worn at a private performance. The baron refused to credit it.

"No son of mine shall wed an actress," he said, and insisted on breaking off the engagement.

In the interim the young lady and her mother had crossed to Germany, and were waiting in Hamburg. The news was broken to them, and the girl collapsed. Then the son, the pride of his family and a hope of the great line, shut himself up in a room and blew out his brains.

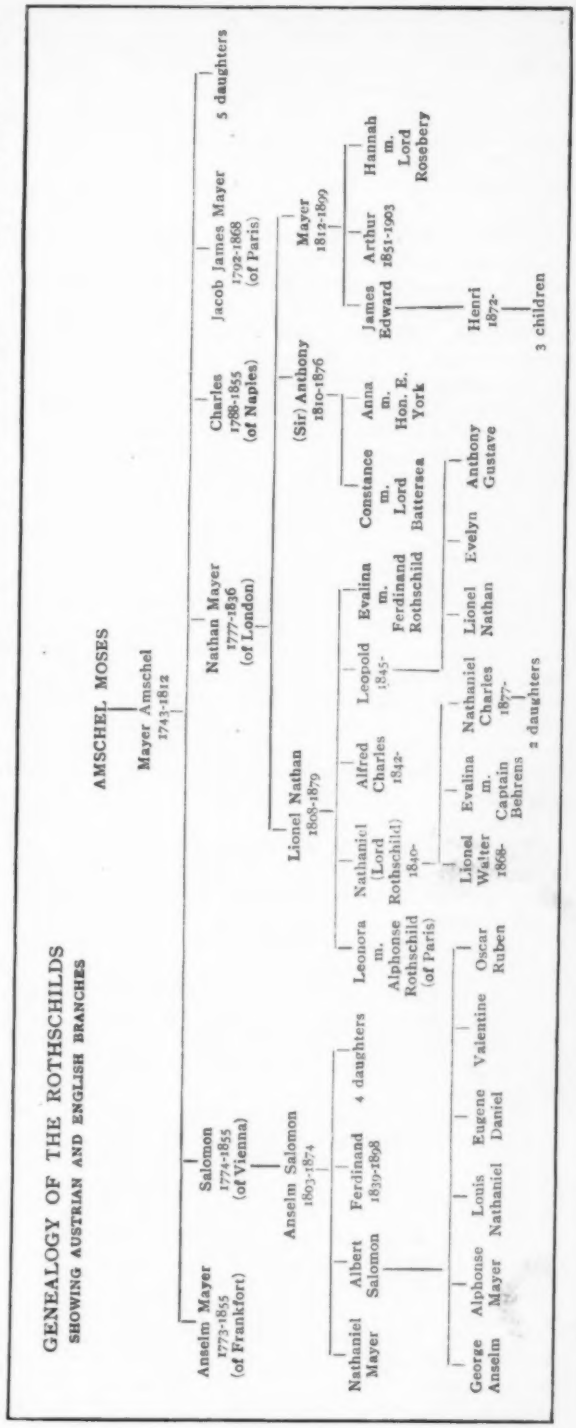
Baron Albert never recovered from the shock of this tragedy, which occurred in the autumn of 1910. All last winter he failed. Toward the end of January he put his house in order, arranged for the succession of his son James, and then died, so his family and friends say, of a broken heart, on February 10 of the present year.

Baron Albert's brother, Baron Ferdinand, was never actively in business. He married Evalina, daughter of Baron Lionel, moved to England, and became a naturalized Briton. He took a high social position, and Waddesdon Manor, his magnificent estate in Buckinghamshire, was the center of a lavish hospitality. The late King Edward, as Prince of Wales, was frequently his guest. It was at Waddesdon that the prince fell and fractured his knee-cap in the summer of 1898. Baron Ferdinand served as high sheriff of Buckinghamshire, and represented the Aylesbury division of that county in Parliament for a number of years.

THE ROTHSCHILDS OF TO-DAY

The passing of the unhappy Baron Albert brought Nathaniel, Lord Rothschild, who had been head of the English house since 1879, to the headship of the family. Leadership with the Rothschilds is never achieved by favor or social prestige. It has always been determined by two things—seniority and ability.

Since the main Rothschild power now emanates from London, let us view its throne-



room. Its stronghold is in "the City," heart of the British money world. When you have passed the plain, low bulk of the Bank of England, with its windowless outer walls; when you have skirted the classic colonnade of the Royal Exchange and crossed Lombard Street, through which rushes John Bull's financial life-blood, you reach the stretch of Cornhill. Not far down its busy way is St. Swithin's Lane, an alley not as wide as New Street, the passage behind the New York Stock Exchange. It is so narrow that a big touring-car could never get through. Midway down this lane is a gateway opening into a courtyard, around which runs a simple brick building. This is New Court, home of the Rothschilds.

Thus, off the beaten path, sheltered from the turmoil of the city, is the unpretentious sanctuary of a power which has helped to rule all Europe, and which reaches out with hooks of gold to nearly every land. It is in sharp contrast with the many-storied marble citadels of Wall Street.

To this dingy nook of old London came Nathan Mayer on that momentous morning in June, 1815, with the mud of Waterloo field still clinging to his shabby clothes, and with the rich secret of Napoleon's downfall locked in his bosom. His name is still posted over the door, for the only external evidence of the firm's ownership is the simple title of "N. M. Rothschild & Sons" at the entrance.

The plainness of the Rothschild offices is strictly in keeping with the British tradition. Indeed, with the older houses of London, it seems to be almost a rule that the greater the firm the dingier is its establishment. The counting-room over which Lord Revelstoke presides in Bishopsgate Street is time-worn, and it is only with difficulty that you can find the small brass plate near the door which bears the words "Baring Brothers."

This modesty of the English money baron is the reverse of the American idea. In New York, the more inflated the scheme, the more gilded the cage. For years, every raid that has been made on "get-rich-quick" vendors of worthless stocks has revealed opulent offices equipped with solid mahogany furniture, velvet carpets, and bronze chandeliers.

Now for Lord Rothschild. You clatter over the cobbled court, pass a giant flunky, go through offices alive with clerks, and then you come to a simple, high-ceiled room, with two flat-top desks in the middle and a third desk off to the side. At one of these central desks, and sitting so as to command the door, you see a medium-sized man with a short white beard, keen, piercing eyes that seem to reach straight to the heart of things, and a jaw which, despite the whiskers, you know is firm and hard. The moment you enter, you feel the influence of his presence, for it is masterful and compelling. At first glance, if you are a New Yorker, you may think you are looking at a more robust replica of Jacob H. Schiff. When Lord Rothschild gets up and moves about, you are reminded of J. P. Morgan, for he is alert and active.

Many people have characterized him as imperious, cold, and overbearing; but this is only his manner, the armor that the very rich so often wear. He looks preoccupied, and usually is so. He contradicts people by asking questions, for this is his method of bringing out reasons behind statements. Contrary to the general belief, he is not a speculator. He is very conservative, and it is the impression in London that he is growing more so all the time.

He has studiously cultivated the habit of silence, and he is never interviewed; yet he is very accessible to people who have real business with him. Brokers are constantly coming and going. With a word or a nod he dismisses the business at hand. This is the Morgan method.

His principal work to-day is the care of the immense personal fortune that he has amassed. Yet every big move made by representatives of the family, anywhere in the world, passes across his desk.

Lord Rothschild was the first avowed Jew to enter the House of Lords. Before he was raised to the peerage he was for twenty years a Liberal member of Parliament, representing the borough of Aylesbury. The late King Edward was his intimate friend, and he shared with Sir Ernest Cassel the privilege of being the king's banker. He has never permitted pleasure to interfere with his business, but his charities and benefactions have been many and large. Unlike those of some American millionaires, his estate at Tring is famed for its beauty and good taste.

Across the flat-topped desk area from Lord Rothschild sits his brother and partner, Leopold Rothschild. Although much less masterful, he is an impressive figure. To American readers he may be described as looking like a cross between James Still-

man and Otto H. Kahn. He is polished, suave, and lacking in his brother's aggressiveness. He inherited Gunnersbury Park, the favorite home of his strenuous father. He has another estate in Buckinghamshire, and his favorite diversion is horse-raising. He has a big stud at Newmarket. He is the youngest of the brothers, and is married to a daughter of Achille Perugia, a banker of Trieste, in Austria.

The second brother, Alfred Rothschild, occupies the desk in the corner. He is the dilettante of the family, and his interest in the business is little more than nominal. He is a bachelor, and is devoted to science. He has a magnificent collection of pictures, and has published for private circulation a two-volume description of his works of art.

THE RISING ROTHSCHILD GENERATION

These three brothers are nearing the time when they must retire. Who will be the future king of the clan? The hope of the family, so far as the English branch is concerned, rests with young Nathaniel Charles, second son of Lord Rothschild, born in 1877. He is a fine, upstanding Britisher, with his father's nose for credit, as well as his uncle Alfred's love of science. He has published several papers on entomology.

His elder brother, Lionel Walter, is not a business man in any sense. He is not even a member of the firm; he is a bachelor, and his interests are scientific. His particular study is zoology, and at the family place at Tring he maintains a large private zoological garden. He has written several books on this subject.

Leopold has three sons—Lionel Nathan, whose interests are purely social; and Evelyn and Anthony Gustave, who are being trained in the business, and who are keen and commercial.

The succession at Vienna rests with Alphonse and James Rothschild. Both of these young men—they are in their early thirties—visited the United States in 1907, and served for a time in the Belmont house to get a practical insight into American banking methods.

The next ruler of the French house will be Robert Philippe, son of Gustave, who was brother of the brilliant Alphonse. Gustave is still alive, but is old and feeble.

Edmund James, another brother of Alphonse, born in 1845, has two sons, James and Moritz, who are in the business, and who have shown every evidence of being worthy of the name. The future of the house seems secure.

One interesting feature in connection with the Rothschilds remains to be noted—they assume the appearance of the nation in which they live. Lord Rothschild, for example, is essentially British, and used to be mistaken for Lord Salisbury. Some members of the Frankfort house are fair-haired Germans. The Paris Rothschilds are typical Frenchmen.

Although institutions like the Deutsche Bank, the Crédit Lyonnais, the Bank of Germany, and others, have risen to dispute their former unquestioned sway, and while their state relations lack the royal proportions of other days, the prestige of the Rothschilds remains undiminished. It is safely entrenched behind colossal wealth; and wealth, in the end, simply spells power.

The allied branches of the house to-day present the spectacle of being a huge family trust. In the unity of the Rothschilds have been their strength and safety.

FANCY

A WINDING line, the camels go
  Into the desert vast and dim;
And some, they carry silken wear,
  And some, they carry bales of spice,
Where Haroun's minarets in air
  Shimmer and swim like towers of ice.

My fancy with the camels goes
  Into the vague, the wide unknown;
My errant fancy strays and strays
  Down many a distant pilgrim track,
Yet ever from adventurous ways
  It to my love comes homing back!

Clinton Scollard